



Arizona Economic Update

October 21, 2016

Summary

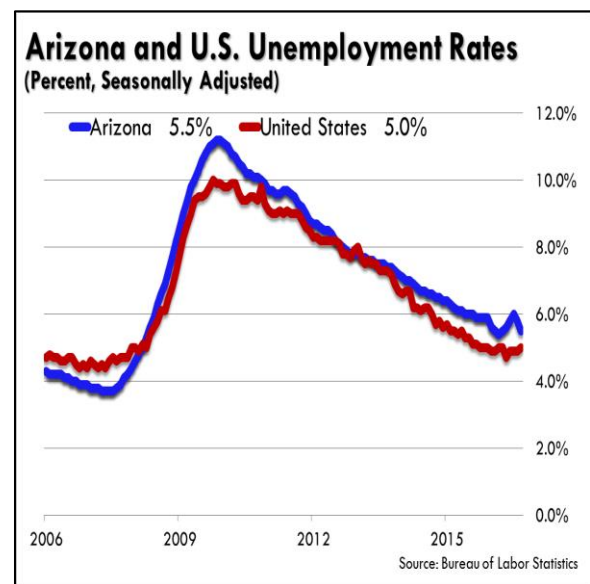
Nonfarm payroll employment in Arizona increased by 8,600 jobs, and the unemployment rate fell to 5.5 percent in September according to data released by the Bureau of Labor Statistics (BLS).

Arizona Unemployment Rate

During September, the unemployment rate in Arizona declined by 0.3 percentage point to 5.5 percent. The number of people counted as unemployed fell by 8,169 in September to 178,790, while the labor force grew by 8,656 to 3,222,169. Among the 50 states and the District of Columbia, 37 posted lower unemployment rates for the month than Arizona. A year earlier, the unemployment rate in Arizona stood at 5.9 percent.

The 10-year peak for the unemployment rate in Arizona was 11.2 percent in December 2009. The series high for the unemployment rate in Arizona occurred in December 1982 when the unemployment rate reached 11.5 percent. The 10-year low for the unemployment rate was 3.7 percent in July 2007. This also represents the series low for the unemployment rate in Arizona. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate rose by 0.1 percentage point to 5.0 percent in September. September's unemployment rate was 0.1 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



Arizona Payroll Employment

Arizona nonfarm payrolls increased by 8,600 jobs, or 0.32 percent, on a seasonally adjusted basis during September. In the prior month, nonfarm payrolls declined by 1,800. Over the past 12 months, nonfarm payrolls in Arizona increased by 61,500, or 2.32 percent. Arizona nonfarm payroll employment has increased in 10 of the past 12 months.

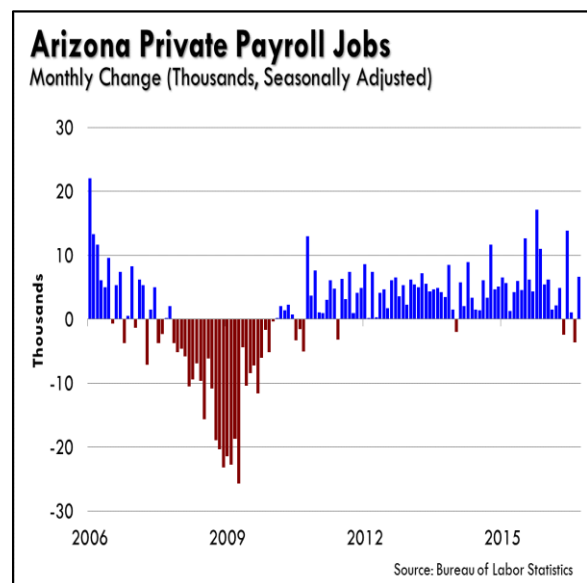
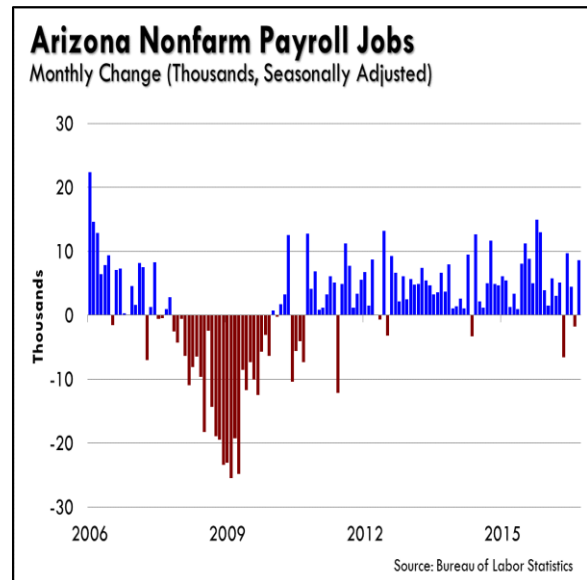
Nationally, nonfarm payrolls increased by 156,000 jobs in September, or 0.11 percent. Over the 12-month period ending September 2016, nonfarm payrolls grew by 2,447,000 jobs, or 1.72 percent. Arizona ranks 15th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During September, Arizona private-sector payrolls increased by 6,600, or 0.29 percent. Private-sector payrolls declined by 3,600 jobs in the prior month. Over the past 12 months, private-sector payrolls in Arizona increased by 63,700, or 2.84 percent. Arizona private-sector payroll employment has increased in 10 of the past 12 months.

Nationally, private-sector payroll jobs increased by 167,000 jobs in September, or 0.14 percent. Over the past 12 months, the nation's economy has added 2,302,000 jobs in the private-sector, an increase of 1.91 percent. Arizona ranks 9th among the 50 states and the District of Columbia for percentage gain in private-sector payroll employment over the past 12 months.

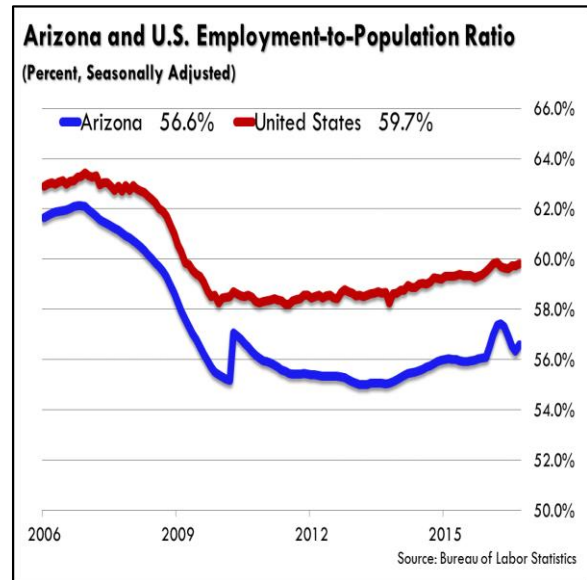
During September, total government payroll employment in Arizona increased by 2,000, or 0.49 percent. Federal government payroll employment declined by 600, or 1.10 percent. State government payroll employment declined by 200, or 0.24 percent, while local government payroll employment increased by 400, or 0.15 percent.

Over the past year, total government payroll employment declined by 2,200, or 0.54 percent. State government payroll employment increased by 600, or 0.72 percent. Local government payroll employment increased by 2,500, or 0.93 percent.



The best performing sectors on a seasonally adjusted basis during September were Educational & Health Services (+4,200) and Construction (+2,900). The poorest performing sectors during the month were Trade, Transportation & Utilities (-1,000) and Financial Activities (-700).

The best performing sectors during the last twelve months were Educational & Health Services (+20,400) and Construction (+11,800). The poorest performing sectors during the last twelve months were Total Government (-2,200) and Other Services (-1,600).



Other Arizona Labor Force Statistics

The labor force participation rate in Arizona rose to 59.9 percent in September from 59.8 percent the prior month. Among the 50 states and the District of Columbia, 41 have a higher labor force participation rate than Arizona. The labor force participation rate in Arizona is 0.4 percentage point higher than a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10-year high for the labor force participation rate in Arizona was 64.7 percent in November 2006. The series high for the labor force participation rate in Arizona occurred in July 1995 when the labor force participation rate hit 66.9 percent. The 10-year low for the labor force participation rate was 59.4 percent in October 2013. This also represents the series low for the labor force participation rate in Arizona.



The national labor force participation rate rose by 0.1 percentage point to 62.9 percent in September, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Arizona civilian noninstitutionalized population 16 years and older counted as employed, rose to 56.6 percent in September from 56.3 percent the prior month. Among the 50 states and the

District of Columbia, 41 have higher employment-to-population ratios than Arizona. The employment-to-population ratio in Arizona is 0.6 percentage point higher than a year earlier.

The 10-year high for the employment-to-population ratio in Arizona was 62.1 percent in December 2006. The series high for the employment-to-population ratio in Arizona occurred in August 1995 when the employment-to-population ratio hit 63.3 percent. The 10-year low for the employment-to-population ratio was 55.0 percent in September 2013. The series low for the employment-to-population ratio occurred in March 1976 when the employment-to-population ratio was 53.2 percent.

The national employment-to-population ratio rose by 0.1 percentage point to 59.8 percent in September. That rate was 0.5 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for October is scheduled for release on November 18, 2016. The national employment situation report for October will be released on Friday, November 4, 2016.